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56th Annual Report on Hotel and Motor Hotel Operations
1988 Edition

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Leisure Time Industries Department

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U.S. LODGING INDUSTRY

by Mark V. Lomanno
Director of Research
Laventhol & Horwath
Executive Offices

Laventhol & Horwath is pleased to present this 56th annual in-depth analysis of the U.S. lodging industry. Since its inception, this publication has been recognized as the single most authoritative source of information available on the financial and operational performance of the U.S. lodging industry. The report provides insight into the operating characteristics of the industry for the preceding year and is useful for analyzing trends in revenue and expenses over successive time periods.

In order to maintain a broad sample size, Laventhol & Horwath's offices nationwide distributed thousands of questionnaires, reaching many segments of the lodging industry. In addition, direct contact was made with several major chains to obtain information concerning their properties. Subsequently, L&H's Research Division obtained data from more than 700 properties. After careful analysis for reasonableness and accuracy, 659 questionnaires were used in compiling data for this study. The participating properties represent a broad cross-section of the industry and have total sales in excess of $5.6 billion in 1987, of which $3.0 billion was room sales. The information for these properties is broken down into separate categories and includes medians, quartiles and arithmetic means for 32 different groups. Supplementary information on source of business, composition of lodging demand and other relevant marketing statistics, along with credit card and collection data, is also presented.

Bases of statistics

Statistics presented in this report have been computed on the three most common bases used to analyze operating results of lodging enterprises: annual amounts per room, ratio to room sales and ratio to total sales. Readers not familiar with L&H's lodging industry publications, especially those not well acquainted with hotel financial statements, are urged to consult chapter 28, "Bases and Significance of Hotel Statistics," of the fourth revised edition of *Hotel Accounting* (Ronald Press Division, John Wiley & Sons, 1978). This material is essential to understanding and using the statistical information in *U.S. Lodging Industry 1988*.

The majority of the figures contained in this study are medians and upper and lower quartiles and do not necessarily add to the totals shown. Each line item has been analyzed separately and medians are based on the information submitted for that line item only since all establishments did

not report for each line.* The arithmetic or weighted mean is also employed as appropriate. "The U.S. Lodging Industry Dollar" (page 14), for example, is based on weighted means to express absolute values rather than the relative position of the operating results of the establishments in the sample, which are expressed in medians and quartiles.

L&H makes no attempt to set or conform prices or operating ratios for the lodging industry. The amounts and ratios contained in this report should be used only as a guide when analyzing the operating results of a specific property.

Laventhol & Horwath would like to express its thanks to the lodging chains and properties across the country that participated in this report. Without the continued support of concerned lodging operators, this report and the valuable information it provides would not be possible.

*"Understanding Medians & Means," an article that provides a further explanation of these concepts, can be obtained by writing to: Laventhol & Horwath, Research Division, 1845 Walnut Street, Phila., PA 19103.

State of the industry

As many hotel industry observers have noted, the sizable expansion of room supply that occurred during the early 1980s has begun to abate. The lodging industry is currently in a transitional period, distinguished by a renewed emphasis on operational profitability.

A series of events has led to the current industry climate. The dramatic recovery experienced by the hotel industry during the later half of the 1970s has been followed by a period of sharp decline in earnings as a percentage of total sales. Red ink is now beginning to flow from an increasing number of hotel income statements. For the third consecutive year, reported income before income taxes has been negative, showing a median loss of $748.

During most of the 1970s, burgeoning growth in room demand sustained steep increases in room rates, which produced declining break-even occupancies. The situation changed, however, during the early 1980s. The recession lowered demand and restrained room rate increases, while tax incentives encouraged the building of properties. This extensive construction activity exacerbated the problem by putting pressure on earnings in several ways. First, readily available financing created many highly leveraged deals that were largely responsible for skyrocketing fixed charges. Second, increased competition made it difficult for many properties to maintain high occupancy rates. This resulted in deep room rate discounting and extensive marketing efforts—the later increasing preopening costs.

Property owners, now facing an oversupply of rooms, must also contend with the cost-raising rules of the Tax Reform Act of 1986. A profits squeeze has resulted, which given the anticipated short-term weaknesses in occupancy rates, is likely to persist over the next several years. In 1987, occupancy was 65.3 percent, an increase of only 0.6 percent from 64.9 percent in 1986.

Although recent increases in hotel operating costs have generally remained in line with revenue growth, steep increases in undistributed operating expenses, particularly fixed charges, are raising the occupancy rate that is necessary to ensure a given level of income. L&H's data reveal fixed charges per available room increased 8.6 percent in 1987. Room rates were up 2.8 percent, while total revenue increased a mere 4.4 percent, therefore creating the squeeze on profits. The slight rise in occupancies was more the result of an abnormal jump in demand than a substantial turnaround.

Our data suggest that all types of hotels are earning a comfortable percentage on operations. However, after fixed charges are absorbed, the situation is quite different; total expenses exceed total revenues for all but the economy segment. The red ink resulted from the dissipation of operating profits by heavy discounting of rooms and the rising fixed charges.

However, all operational news is not bad. Hotels have been relatively successful in restraining the growth of key operating costs, especially labor costs, which account for approximately one-third of total expenses. Real payroll costs per available room have remained virtually flat since the late 1970s. Increases noted on a per occupied room basis can be attributed to overhead created by weakness in occupancy.

Conclusion

As pressure increases on the bottom line, cost containment will become an even more important strategy for hotel operators during the next several years. As room demand slows and new rooms continue to come on line at a rapid pace, this emphasis will become a necessity. However, an anticipated slack in occupancies will make profitability an elusive goal for many properties.

Over the next several years the disparity in performance across segments is likely to lessen. The economy segment, currently the star performer, will see its markets narrow as the field becomes increasingly crowded. New properties and existing upscale and midpriced properties that are unable to compete with new chain hotels will shift their identity downward to improve their competitive position. Influenced by tax changes, new properties are likely to be less leveraged than in the past, a trend that will eventually ease pressure on fixed rates.

Lodging industry profits will remain weak for the next several years, as properties struggle to survive in a crowded field stripped of many tax incentives. Although the risks to successful operators are rising, potential returns remain substantial. As travel demand continues to rise, a well-managed, well-placed hotel still has potential for reaping attractive gains for its owners.

A NEW BEGINNING FOR THE AH&MA

by Thomas W. Staed
President
American Hotel & Motel Association

There's a new kid on the block in Washington, D.C. He's nearing 80 years old, but in many ways he's more vibrant than ever. The kid is the American Hotel & Motel Association, which joined approximately 3,200 other trade associations in the nation's capital this spring.

The move from New York served as the kickoff of a new beginning for the AH&MA—and a new era for the lodging industry. Our association, now located in state-of-the-art offices, streamlined its staff and revamped its graphic image to conform with the message of revitalization.

More significant, however, is the association's redirected focus, developed steadily over the past two years. In 1987, we started the process of building a hospitality coalition to strengthen the industry. Since then we've launched a new political action initiative—timed to coincide with our move to Washington, D.C.

The goal of both is to give the lodging industry, and travel and tourism as a whole, the recognition commensurate with its major role in our country's economic and social structure.

Many in our industry consider governmental affairs the most important AH&MA endeavor, and with good reason. The specter of a minimum wage increase, tax hikes, polygraph laws, mandated health benefits, parental-disability leave and a host of other legislation hover over us.

Lodging activists want the industry to play a larger role in the political process. That role can best be played with the AH&MA as the leader. In response, we've developed an ambitious new governmental affairs program.

"The hotel industry witnessed its highest occupancy ever—95 percent—in 1946."

Among our objectives:

- To start a program that will get more lodging industry members involved in the governmental affairs process and ensure our industry's political visibility. We successfully launched this concept during National Tourism Week, with a grand opening of our new headquarters along with a political symposium. Over 150 industry representatives joined in governmental affairs seminars, a Congressional reception and other meetings crafted specially for the hospitality executive.

This process can be continued each year by maintaining a viable American Hotel & Motel Political Action Committee (AMPAC) and AH&MA Political Education Fund. AMPAC, funded by political donations from individuals, is charged with helping elect officials who display sensitivity to lodging industry's needs.

The new Political Education Fund will utilize voluntary corporate contributions to sponsor programs that keep lodging executives informed on industry/governmental topics. The fund will sponsor a variety of forums—lunches, private meetings, receptions and seminars—all designed to give lodging executives the opportunity to discuss pertinent issues with key elected government officials and their staffs.

Another initiative is to better inform Americans and their elected representatives of the importance of travel and tourism. Few people fully comprehend tourism's significance in our country. We have the chance to change that. A recent economic-impact study released by the AH&MA offers forceful evidence of the enormous impact lodging properties have on their local communities. This booklet, which will be distributed to every member of Congress, can be used to approximate the total impact in dollars of a hotel or motel in more than 300 standard metropolitan statistical areas around the country.

More to the point, travel and tourism represents a nearly $300-billion share of the U.S. economy, and will soon be the largest single employer in the country. Adding these together, we

have an excellent case for urging greater Federal and state emphasis on our industry.

One of our main projects for this year, and last, is to support the Vote America Foundation's efforts with our own specially created initiative for lodging members. Our objective: to remind and urge those who will be traveling on election day—in or out of the country—to participate in the political process by voting by absentee ballot. Among the AH&MA's contributions to date is a public service announcement with entertainer Carol Channing, which is running on Spectradyne movie-preview channels in hotels nationwide. As the AH&MA's representative to the Vote America Foundation, I recently had lunch in the White House with President Reagan who was honoring the organizations participating in the Vote America effort. We also can educate our employees about candidates that are running and then get them out to vote next November.

What does all this mean for travel and tourism, and lodging in particular? By initiating our governmental affairs program, the AH&MA intends to lead a coalition of hospitality partners into more aggressive political activity.

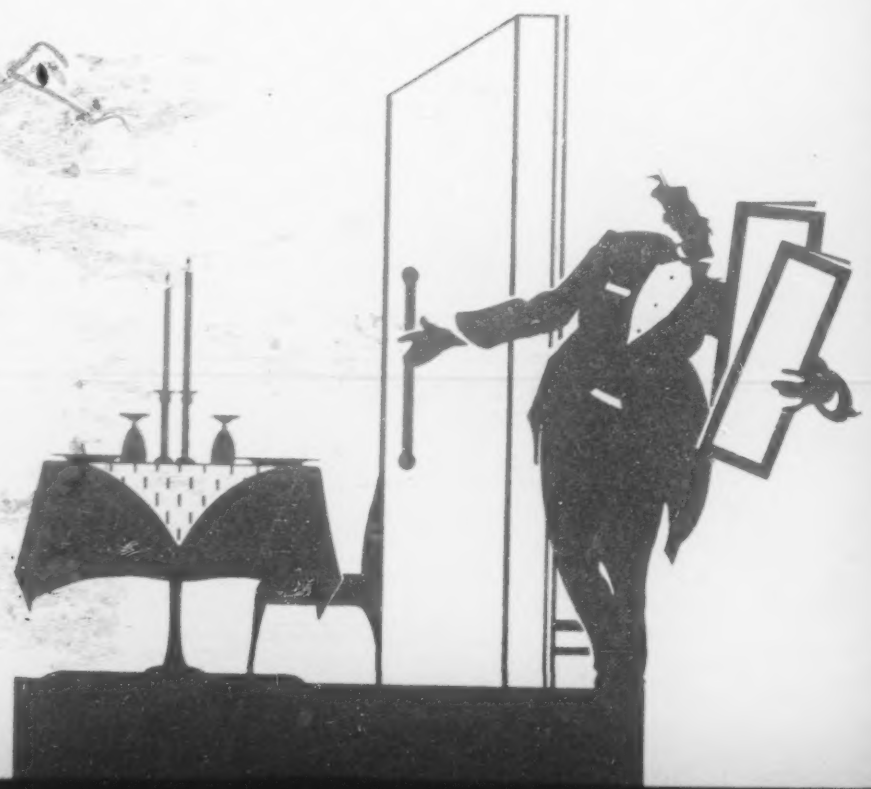
An economic sector as large and important as ours should—indeed, must—have a stronger voice in the public policy process. Federal and state efforts to strengthen travel and tourism in this country will develop only when elected and appointed officials understand the full extent to which this industry supports the American economy and society.

The next few years will pose significant challenges, such as trade and budget deficits along with new labor problems, in our industry and the U.S. economy. The government, along with the business community, will have to learn to cope with these. Travel and tourism has a substantial role to play and must lead the way.

In the next decade, our industry will be one of the largest creators of new jobs for our society. Seniors, young people, immigrants and the disabled will all find good jobs in the hospitality business.

Travel and tourism will help level the trade imbalance by luring international travelers to the U.S., who will in turn invest money into our economy. We'll help lower this nation's budget deficit and national debt, through a combination of taxes (we pay billions of dollars annually), jobs (we continue to create thousands of jobs each year) and stability (our financial success will mean a much healthier U.S. economy).

The AH&MA's new beginning does, indeed, signify a new era for the lodging industry. We're encouraging all members of our giant industry to assist in our public policy initiative. Travel and tourism's voice can be loud and strong, and well received.



SELECTING A MANAGEMENT COMPANY

by Richard Warnick
Principal
Laventhol & Horwath
Phoenix

The lodging industry is again in a state of upheaval. S&Ls have replaced the R.E.I.T.s. The proliferation of roadside inns has been supplanted by upscale hotels in the downtown, suburban, airport and resort areas. The stakes have become higher; even on a deflated basis, hotels built in the 1980s are much more expensive than those constructed during the previous decade. Tax reform, turmoil in the equity markets and a towering deficit are becoming the economic equivalent of the energy crisis.Whether you agree or disagree with the comparison, the effect resembles the crisis that struck the lodging industry in the early 1970s: oversupplied markets, projects with higher development costs than can be reasonably supported, and a proliferation of management companies proclaiming an ability to save the growing number of troubled projects. Perhaps now more than ever, when even fair market share isn't good enough, extraordinary care in the selection of a management "partner" should be exercised.

No qualifications are required to become a management company—there are no barriers to entry, no industry standards, no licenses to obtain, no tests to pass. And there are hundreds of hotel management companies, ranging from multibillion-dollar corporations managing hundreds of hotels to unemployed general managers.

Considering the extent to which a hotel depends on the effectiveness of its management and the range of competence among the many management options, exhaustive search and selection would seem warranted. Very often, however, companies are chosen for inappropriate reasons, including the following:

- Only certain companies hear of and respond to the opportunity, and the owner selects from among them. (This doesn't mean every company that solicits an owner is bad. But, if they are the best for a particular situation, they will likely be identified and rise above the competition in a search.)
- The owner contacts only larger companies and mistakenly assumes if they are well-known, they are competent to operate the property. Unfortunately, the size of the company doesn't correlate with its effectiveness, nor does interest in collecting a fee signify a commitment to make a project work.
- The company or companies considered are recommended by a business associate, friend or broker—this is not necessarily bad, depending upon the referrer's knowledge.

These and other similar methods of selection are driven largely by chance and the odds weigh heavily against success. What is needed is a selection process that is consistent with the objective and commensurate with the importance of the result.

First things first

When selecting a competent manager and negotiating a fair and effective contract, it is critical to have an in-depth understanding of the product and the problem. Although self-evident, this process may be one of the most difficult and necessary in the project's life cycle. It requires extensive knowledge of the industry, the market, consumer and product trends, and above all, an objective understanding of the facility. Such an evaluation—referred to here as "situation analysis"—can be expensive in time and money. But, in the words of Derek Bok, President, Harvard University, "If you think education is expensive—try ignorance." The following are a few benefits of a situation analysis:

- It can serve as the basis upon which to evaluate each potential manager's understanding of the project and his plan for its future. Without this knowledge, the selection of a manager is more likely to be influenced by eloquence or charisma rather than by understanding and ability.
- Management companies have different skills and strengths. Understanding a property's strengths, weaknesses, opportunities and threats can help in choosing the company best equipped to deal with them.
- Such knowledge can form the basis for many key financial decisions including holding time and refinancing. (These decisions also have an impact on the selection of the management company and the negotiation of the contract.)
- Effective asset management requires accuracy in strategic decision making including approval of marketing plans and operating and capital budgets after a contract is in place.
- Negotiating fair performance standards and financial goals requires an objective understanding of the market and the properties' competitive position within it.

Objectives

Selection and negotiation are inseparable processes since the desired manager must also be willing to accept the essential elements of the business deal. Owner objectives must, therefore, be determined early in the selection process, prioritized and communicated to relevant parties. At an appropriate phase in negotiation, methods of measurement and accountability must also be developed.

Selection process

Armed with information and objectives, the owner is now ready to engage in the selection process, which should contain the following steps:

Identification
Determine the options, which will consist of the local, regional and/or national companies best suited to the situation and objectives, and a contact person in each organization. It is recommended that a qualified consultant be retained to assist in this effort since most owners lack the necessary specialized resources.

Request for Proposal
Prepare a request for proposal (RFP), which should:

- provide adequate information on the project
- set forth, in an abbreviated fashion, key terms under which the owner is prepared to enter into a contract
- require that respondents provide detailed background information by a particular date

Personal Contact
Prior to distributing the RFP, an owner representative should contact each management company to provide information on the project, owner objectives, an agenda for future events, a negotiating time table and targeted takeover date. Each company's level of interest should be assessed, and, if appropriate, the RFP should be sent.

Investigation
A consultant's involvement in identifying the companies to be contacted does not mitigate the need for adequate background investigation of the respondents. A company may be listed by virtue of reputation or second-hand knowledge—not personal experience. Also, as this is a transitory business, employee turnover occurs frequently, even at top positions.

If the proposal was properly structured, the owner should have detailed resumes on key executives, a complete list of hotels currently managed including an owner contact for each, and a list of owner representatives for any management contracts cancelled in the past three years. All of these should be thoroughly investigated. In addition to verifying the accuracy of information, certain other questions should be asked of each owner contact including:

- How is the hotel performing compared with:
  - — original expectation?
  - — operator pro forma?
  - — industry standards?
  - — competitive marketplace?
- What is the nature of the relationship between owner and operator?
- Are quality standards satisfactory?
- If starting over, would the same operator be selected? Why/why not?
- In retrospect, what would the owner have done differently, e.g., deal structure?

To some extent, a successful match will be determined by "gut instinct," e.g., chemistry, compatibility of philosophy. Therefore, it is preferable that interviews be handled directly by the owner's decision maker—not delegated to others. For similar reasons, this direct involvement by the decision maker is also recommended for the management interview and negotiation of the business deal.

Property Inspections
Regardless of what is touted by the management company or expressed by owner representatives, there is no substitute for first-hand experience. Unannounced visits to random properties of each company under consideration can be a very enlightening experience. And while even the best facilities can deliver a bad experience, there are certain underlying characteristics which are not one-of-a-kind events. These may become the grist of decision making or perhaps a point to be addressed in the selection process. In any case, it is a step which should not be overlooked.

Operator Interviews
The aforementioned background investigation and analysis of information provided by various respondents should form the basis of the "first cut." Interviews are expensive for the owner and operator and should only be conducted with three to five serious contenders.

A potential operator should undertake certain investigative processes for the owner's benefit. Like the negotiating process, however, the demands that can be placed on operators in the

selection process will depend largely on the project's appeal. Of course, this research and analysis yields a clear benefit for the manager as well—anyone who would take on a project indiscriminately should be extremely suspect.

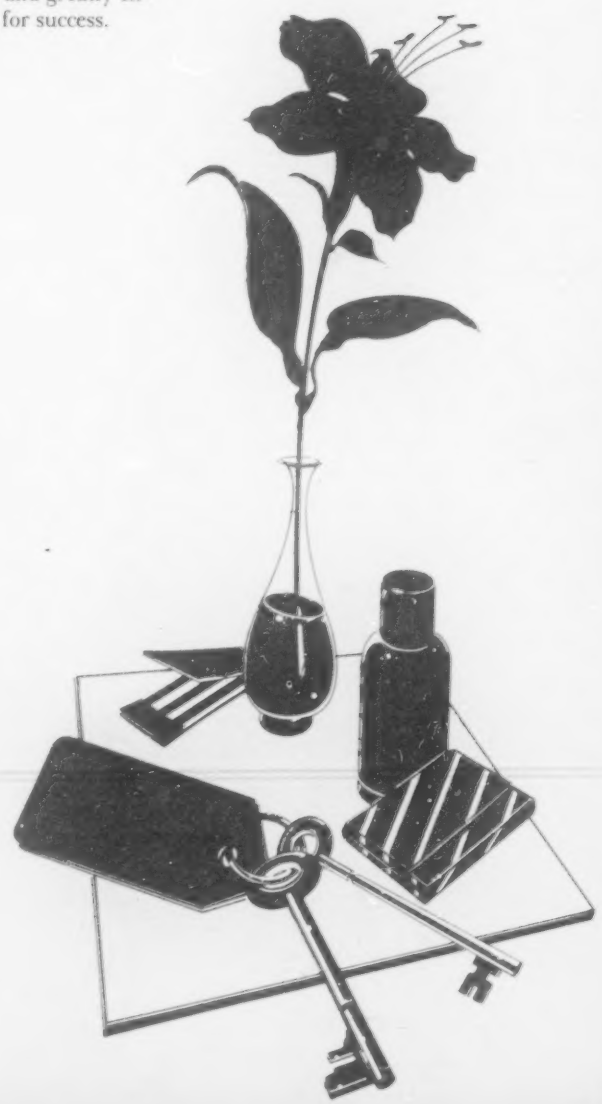
Ideally, those areas which a manager should address and be prepared to discuss at the interview include:

- operator's perceptions of the market
- operator's preliminary five-year business plan (to be analyzed and carefully compared with the situation analysis):
  - — mission statement and market position
  - — outline of key operating and marketing initiatives
  - — proposed changes to the size or character of the hotel
  - — estimated capital expenditures
  - — five-year pro forma
- operator qualifications, methodology and resources:
  - — company philosophy
  - — company structure (organization chart) including information on who will actually be responsible for day-to-day management supervision
  - — marketing resources and structure
  - — reservation system (if applicable)
  - — corporate group sales programs
  - — management information systems
  - — human resources
- Takeover plan
- Differentiating characteristics (Why should the company be selected?)
- Deal structure/key contract terms

Negotiation

At the conclusion of the interview process, the owner should be able to narrow the field to the two most viable management candidates and enter into simultaneous negotiations. There are significant reasons for maintaining an ongoing relationship with two companies: first, simultaneous negotiation, when known to all parties, normally renders each more responsive and amenable to important deal points; second, if key business issues cannot be resolved with a preferred company, no time is lost starting over with another company; last, the negotiating process facilitates increased knowledge of each party—a "favorite" may expose serious flaws in the process.

Of course, eventually, a final selection must and will be made. Having exercised painstaking care should make that selection the best possible for a given situation and greatly enhance opportunities for success.



EXPLANATION OF TERMS

Room sales

Guest room revenue generated from accommodations on a part-day occupancy, full-day or longer period basis, net of any rebates and discounts. Also included are charges for maid or linen services.

Rentals and other income

Income from vending machine concessions and commissions, public telephone commissions, merchandise sales of postcards, souvenirs and newspapers, commissions on guest laundry, valet, meeting room rentals and all other income not included elsewhere.

Payroll and related expenses—rooms department

The salaries and wages of departmental personnel and management including: overtime, holiday and vacation pay. Also included are employee benefits and payroll taxes such as Federal, state, social security and workmen's compensation.

Payroll and related expenses—administrative and general

Salaries and wages for the resident manager or managing director, secretaries, reception clerks and bookkeepers.

Undistributed operating expenses—administrative and general

Expenses incurred from bad debts, credit cards commissions, data processing services, general insurance, licenses and dues, operating supplies, professional fees, security services, travel and entertainment and other related miscellaneous expenses.

Marketing

Advertising, publicity, franchise fees and other promotional expenses such as printing newspaper, magazine and billboard space and broadcasting time.

Energy

The costs of fuel, electrical current and water.

Payroll and related expenses—property operation and maintenance

Payroll and related expenses related with the repair and maintenance of the building, furniture and fixtures and equipment, in addition to all other expenses necessary to keep the property in operating condition.

Property operation and maintenance

The cost of materials used in repairing equipment, the exterior and interior of the building (floors, walls, doors, furniture), grounds and landscaping, painting and decorating, the removal of waste matter and other related expenses necessary for the upkeep of the lodging facility.

Management fees

Fees charged by a management organization for management service or supervision should be charged to the account.

Income before fixed charges

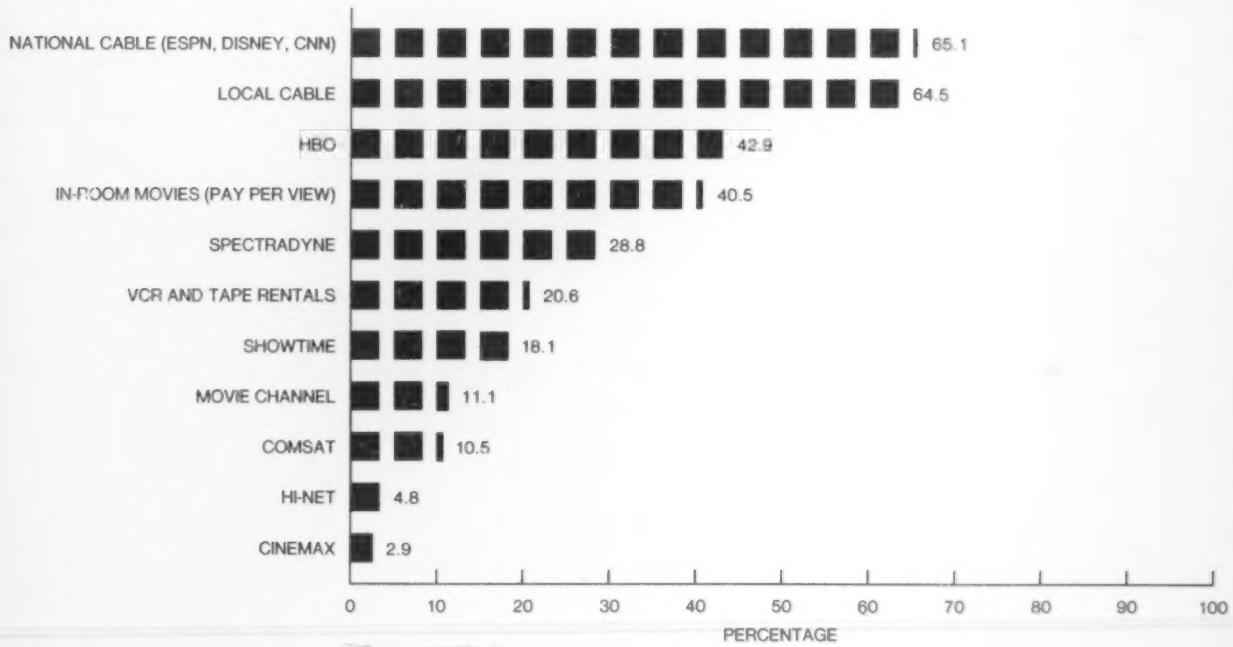
Income before fixed charges is defined as total departmental revenue from all sources (rooms, minor departments, rentals and other income, and telephone) less all departmental and undistributed operating expenses. This is the income from all operations before deducting rent, property taxes, property insurance, interest, depreciation and income taxes.

Table 1

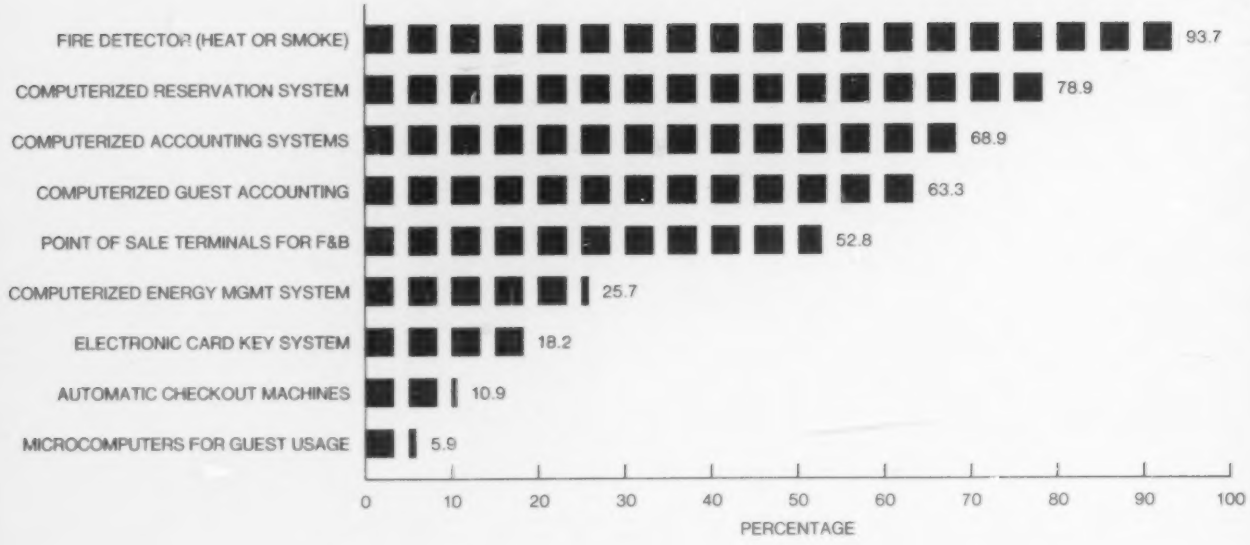
Technological Information—Three-Year Comparison

	1985	1986	1987
Computerized Reservation System	70.4	76.4	78.9
Computerized Energy Management System	19.9	22.9	25.7
Automatic Checkout Machines	5.6	7.3	10.9
Electronic Card Key System	6.5	11.9	18.2
Point of Sale Terminals for Food & Beverage Outlets	37.1	48.4	52.8
Microcomputers Available for Guest Use	8.9	4.1	5.9

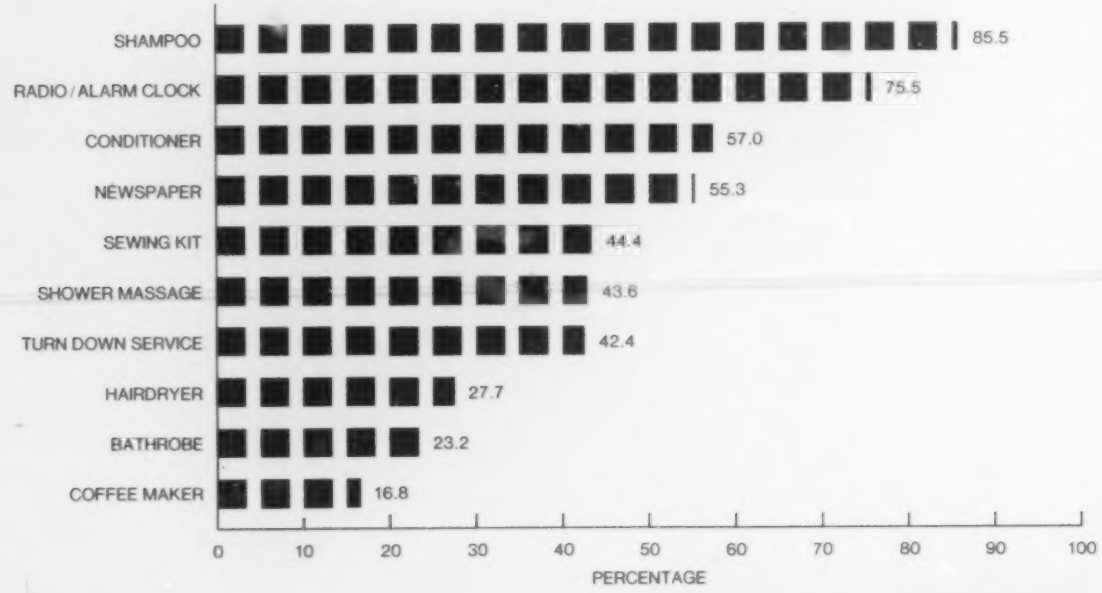
Technological Characteristics—
In-Room Entertainment Systems



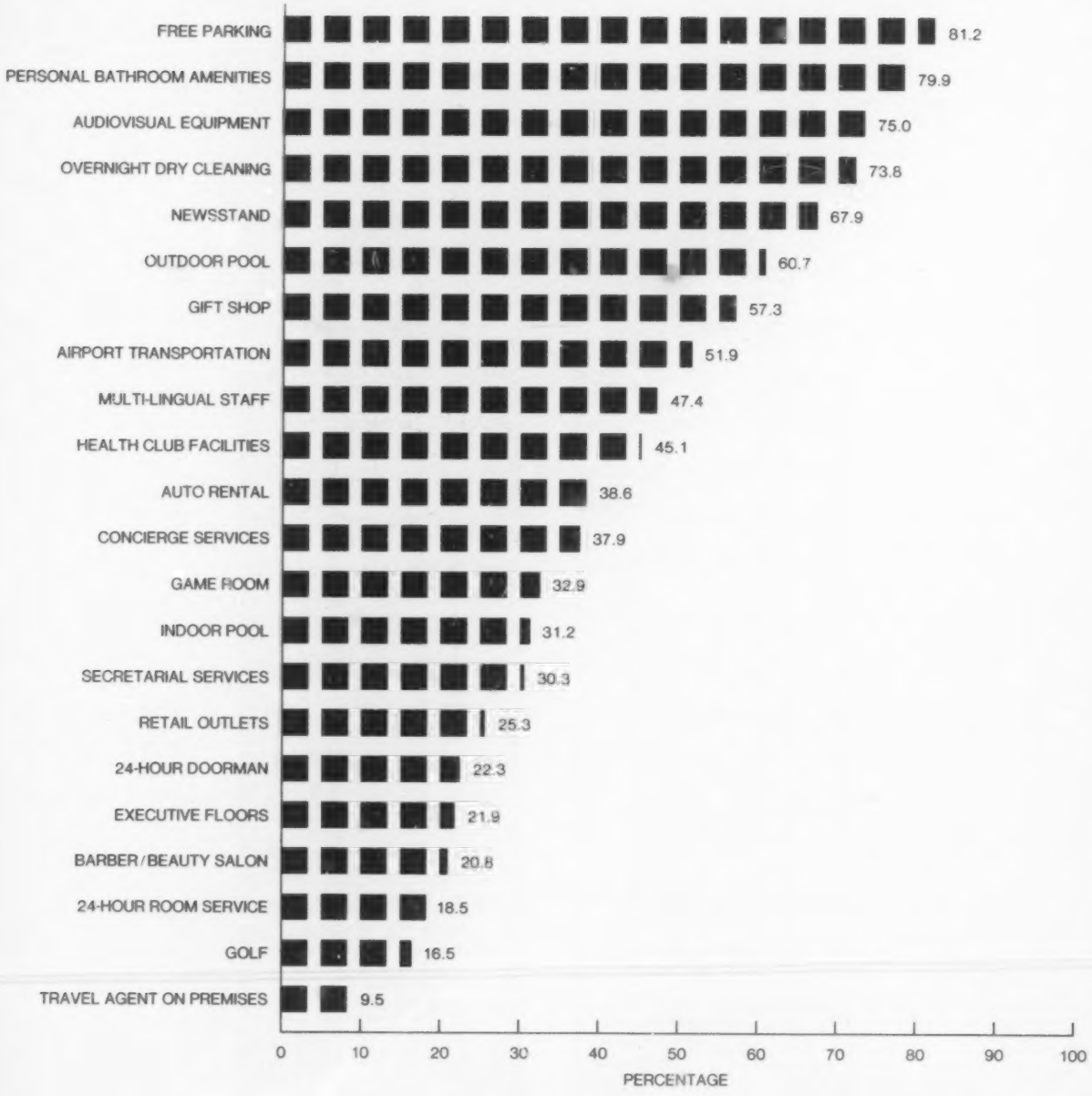
Technological Characteristics—
Property Automation



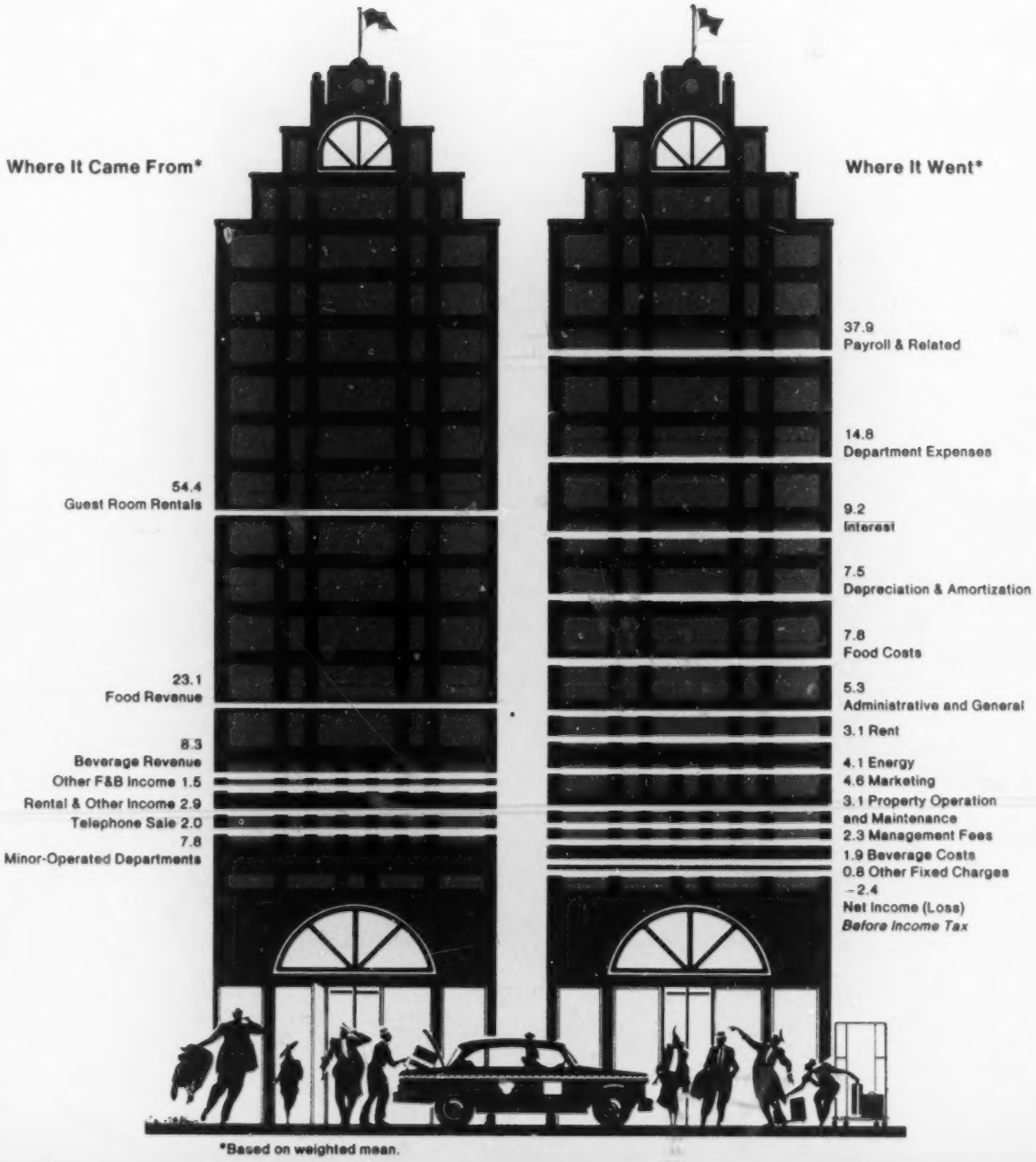
Guest Room Amenities



Guest Services



The U.S. Lodging Industry Dollar 1987



*Based on weighted mean.

Exhibit 1
1988 Profile of Contributors

Affiliation		Location	
Chain/Owned	15.2%	Center City	26.9%
Chain/Leased	1.7	Suburban	21.3
Chain/Managed	15.7	Airport	6.2
Chain/Franchised	26.7	Highway	14.7
Independent	26.9	Resort	18.1
Not Reported	11.9	Not Reported	12.8
Occupancy		**Average Room Rate**	
Under 50%	12.3%	Under $40.00	14.5%
50-59.9%	19.1	$40.00-$54.99	30.5
60-69.9%	35.5	$55.00-$69.99	19.3
70-79.9%	24.4	$70.00-$84.99	15.0
80% & Over	8.6	$85.00 & Over	20.7
Region		**Size**	
Northeast	15.2%	Under 150 Rooms	31.3%
South	20.5	150-299 Rooms	36.7
North Central	36.3	300-600 Rooms	23.6
West	27.9	Over 600 Rooms	8.4
Profit/Loss			
Profit	37.3%		
Loss	51.3		
Not Reported	11.4		

"Colonial inns and taverns, in addition to their social functions, became ammunition storage depots and meeting places for the Revolutionary underground."

Exhibit 2
*Market Data**

	All Establishments	Size of Property			
		Under 150 Rooms	150–299 Rooms	300–600 Rooms	Over 600 Rooms
Source of Business					
Foreign	10.8%	9.3%	11.3%	12.9%	14.9%
Domestic	89.2	90.7	88.7	87.1	85.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Repeat Business	34.8%	39.3%	42.7%	29.2%	20.0%
Composition of Market					
Leisure	32.8%	39.8%	26.8%	27.5%	29.9%
Business/Government	40.3	45.4	44.4	35.1	19.7
Conference Participants	20.0	9.0	20.3	31.3	42.9
Other	6.9	5.8	8.5	6.1	7.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Guests with Advanced Reservations	71.3%	60.1%	76.5%	86.2%	85.0%
Advanced Reservation Mix					
Direct Inquiry	42.4%	51.0%	38.3%	37.1%	30.2%
Own Reservation System	23.8	23.0	23.7	24.6	21.8
Independent Reservation System	4.4	4.5	5.4	3.2	3.8
Travel Agents	13.2	11.1	14.4	14.7	16.0
Tour Operators	4.5	2.7	4.1	6.3	9.6
Hotel Representatives	10.5	6.8	13.2	12.6	17.3
Transportation Company	1.2	0.9	0.9	1.5	1.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*All amounts are means.

Exhibit 3
*General Statistics**

	Ratio of Income Before Fixed Charges to			
	Room Sales		Total Sales	
	1987	1986	1987	1986
All Establishments	36.8%	37.2%	22.7%	22.7%
Size				
Under 150 Rooms	39.8%	42.0%	28.8%	31.0%
150-299 Rooms	31.3	35.4	19.2	23.1
300-600 Rooms	35.4	33.5	20.4	18.1
Over 600 Rooms	46.1	41.5	27.9	24.8
Average Room Rate				
Under $40.00	40.9%	39.0%	32.2%	27.4%
$40.00-$54.99	33.4	36.0	20.5	23.9
$55.00-$69.99	34.0	35.0	21.4	21.1
$70.00-$84.99	35.7	37.7	23.7	23.8
$85.00 & Over	40.4	38.5	22.8	21.8
Occupancy				
Under 50%	17.8%	15.1%	11.1%	9.9%
50-59.9%	26.5	34.3	17.1	19.5
60-69.9%	34.1	37.9	21.6	24.6
70-79.9%	43.6	42.7	27.9	27.4
80% & Over	49.1	50.2	32.7	34.4
Region				
Northeast	40.8%	41.2%	24.6%	24.8%
South	37.4	40.3	23.4	25.3
North Central	32.1	32.9	20.5	19.1
West	38.0	35.4	24.2	22.6

*All amounts are medians.

Exhibit 4
*Sales Per Guest Day**

	All Establishments	Location of Property				
		Center City	Suburban	Airport	Highway	Resort
Rooms	$45.15	$48.69	$45.65	$47.96	$35.35	$59.06
Food & Beverage	29.38	31.17	34.62	25.84	19.90	31.65
Telephone	1.72	2.06	1.90	2.56	1.20	1.74
Minor Departments	1.32	1.14	2.02	0.35	**	5.84
Rentals & Other Income	0.97	1.25	0.83	0.86	0.53	1.83
Total	$80.39	$92.04	$81.66	$71.83	$45.47	$90.25

*All amounts are medians and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 5

*Occupancy, Guests Per Room and Average Room Rate**

	Occupancy		Number of Guests Per Occupied Room		Average Room Rate	
	1987	1986	1987	1986	1987	1986
All Establishments	65.3%	64.9%	1.63	1.81	$ 57.84	$56.29
Size						
Under 150 Rooms	64.3%	65.0%	1.67	1.85	$ 42.94	$43.25
150-299 Rooms	63.8	64.4	1.65	1.69	56.52	52.79
300-600 Rooms	66.6	64.9	1.58	1.70	76.87	70.70
Over 600 Rooms	74.8	66.5	1.74	2.34	83.51	78.20
Average Room Rate						
Under $40.00	59.8%	64.0%	1.73	1.98	$ 34.63	$34.45
$40.00-$54.99	63.3	62.8	1.69	1.67	46.83	46.38
$55.00-$69.99	65.3	65.0	1.75	1.65	61.97	62.51
$70.00-$84.99	67.3	69.6	1.51	2.11	77.13	76.39
$85.00 & Over	67.7	67.0	1.53	1.73	103.68	98.88
Occupancy						
Under 50%	45.4%	43.0%	1.74	1.67	$ 50.27	$49.17
50-59.9%	56.2	55.7	1.68	2.00	51.54	53.94
60-69.9%	65.3	65.4	1.62	1.66	58.50	58.49
70-79.9%	74.1	74.3	1.58	1.81	62.61	63.32
80% & Over	85.3	85.5	1.43	2.00	78.57	52.21

*All amounts are medians.

"An electric fan and a radio in every room was a good amenities package during the 1940s."

Exhibit 7

Rooms Department
*Ratio to Room Sales**

	All Establishments	Size of Property			
		Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Revenue					
Room Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Allowances	0.8	0.7	1.0	1.0	0.8
Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Expenses					
Payroll & Related	17.9%	16.8%	17.5%	18.6%	18.5%
Travel Agent Commissions & Reservation Expense	2.3	1.4	2.3	2.8	2.7
Contract Cleaning, Dry Cleaning, Linen & Laundry	2.0	1.6	1.8	2.3	2.5
Operating Supplies	2.4	2.6	2.2	2.5	1.8
All Other Expenses	1.8	1.5	2.2	1.7	1.7
Total Departmental Expenses	26.8	24.8	26.1	26.6	27.9
Net Departmental Income	73.3%	75.3%	73.9%	71.4%	72.1%

*All amounts are medians and do not necessarily add to totals shown.

Exhibit 6

*Distribution of Sales**

	All Establishments	Size of Property			
		Under 150 Rooms	150–299 Rooms	300–600 Rooms	Over 600 Rooms
Sales Distribution					
Cash Sales	32.3%	40.5%	27.9%	22.2%	23.9%
Credit Card Sales	52.5	50.2	55.6	53.1	48.2
All Other Credit Sales	15.2	9.3	16.5	24.7	27.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of Cash Sales from Travel Agents & Tour Operators	12.5%	12.7%	12.3%	9.5%	6.8%
Percentage of Credit Card Sales by Card					
American Express	45.3%	37.8%	49.1%	53.8%	52.8%
Visa	25.2	29.2	23.6	20.8	22.2
MasterCard	20.5	23.8	18.3	17.4	16.6
Diners' Club	4.5	4.0	5.1	4.5	4.5
Carte Blanche	1.3	1.2	1.3	1.4	1.6
Discover	2.3	2.9	2.1	1.3	1.4
Other	0.9	1.1	0.5	0.8	0.9
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*All amounts are means.

	Average Daily Rate			
Under $40.00	$40.00–$54.99	$55.00–$69.99	$70.00–$84.99	$85.00 & Over
100.0%	100.0%	100.0%	100.0%	100.0%
0.7	1.0	0.9	0.8	0.9
100.0%	100.0%	100.0%	100.0%	100.0%
17.5%	17.1%	17.6%	18.8%	18.3%
1.0	1.8	2.5	2.7	2.8
1.6	1.6	1.9	2.6	2.5
2.7	2.2	2.1	2.4	2.4
1.8	2.1	1.7	1.8	1.8
24.5	25.2	26.1	28.2	28.1
75.5%	74.8%	73.9%	72.3%	71.9%

Exhibit 8

*Ratios of Total Food and Beverage Sales**

	All Establishments	Restaurant Operated Total Food & Beverage Sales as a Ratio to Total Sales***			
		0-25.0%	25.1-35.0%	35.1-45.0%	45.1% & Over
Sales					
Food	74.8%	74.3%	74.8%	74.5%	75.7%
Beverage	25.6	26.4	25.6	25.6	24.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales**					
Food	34.1%	34.4%	33.7%	33.8%	34.8%
Beverage	23.1	23.6	22.6	23.0	23.3
Total	31.3%	32.6%	30.6%	30.7%	32.2%
Gross Profit	68.8%	67.9%	69.4%	69.3%	68.1%
Public Room Sales	2.4	3.4	3.1	2.1	1.4
Other Income	1.5	1.7	1.5	1.7	1.0
Total	73.2%	72.4%	74.0%	73.3%	70.3%
Departmental Expenses					
Payroll & Related Expenses	43.7%	49.5%	44.3%	42.3%	38.4%
China, Glassware, Silver & Linen	1.4	1.2	1.4	1.4	1.1
Contract Cleaning	0.3	0.3	0.3	0.2	0.2
Laundry & Dry Cleaning	1.1	1.3	1.2	1.1	1.0
Operating Supplies	2.6	2.8	2.5	2.5	2.4
Uniforms	0.4	0.4	0.4	0.4	0.3
All Other Operating Expenses	3.5	4.1	3.5	3.4	2.6
Total	55.4%	62.2%	56.5%	53.2%	47.2%
Departmental Income	17.8%	10.1%	17.5%	20.0%	23.7%

*All amounts are medians and do not necessarily add to totals shown.
**Cost of sales ratios, except total cost of sales, are shown as a percentage of corresponding sales.
***Readers should be cautioned that these figures are not directly comparable with those in previous reports.

Average Room Rate				
Under $40.00	$40.00-$54.99	$55.00-$69.99	$70.00-$84.99	$85.00 & Over
72.7%	74.6%	74.6%	74.6%	74.8%
29.1	26.2	25.8	25.9	25.2
100.0%	100.0%	100.0%	100.0%	100.0%
38.8%	36.7%	34.1%	32.8%	31.2%
26.9	24.0	23.4	20.9	21.5
35.9%	33.5%	31.6%	29.9%	29.1%
64.1%	66.5%	68.4%	70.1%	70.9%
1.9	2.9	3.0	2.2	1.7
0.8	1.6	1.4	1.7	1.5
66.0%	71.1%	73.3%	76.0%	75.1%
39.4%	40.8%	44.4%	45.8%	44.2%
0.8	1.1	1.3	1.4	1.8
0.5	0.3	0.2	0.3	0.3
0.4	0.8	1.2	1.2	1.2
3.0	3.0	2.4	2.1	2.2
0.3	0.3	0.4	0.4	0.4
3.2	2.7	3.7	3.6	3.2
54.1%	53.7%	56.3%	58.2%	55.6%
15.3%	18.9%	16.5%	16.5%	18.9%

Exhibit 9

*Food and Beverage Statistics—By Selected Criteria**

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Food Sales—By Property				
Amount Per Available Room				
Dining Room(s)	$3,551	$2,633	$3,074	$3,209
Room Service	173	381	516	570
Banquet	1,079	2,133	3,532	3,554
Bar/Lounge	133	69	58	64
Total	$4.629	$5.108	$8.123	$8.776
Ratio to Food Sales				
Amount Per Seat				
Dining Room(s)	75.8%	54.9%	42.9%	40.6%
Room Service	5.2	6.3	6.7	7.3
Banquet	27.1	39.1	47.5	46.6
Bar/Lounge	1.4	1.3	0.7	0.7
Dining Room(s)	$3,832	$4,279	$5,322	$6,265
Banquet	467	683	1,186	883
Bar/Lounge	432	172	122	208
Total	$1.527	$1.572	$1.942	**
Average Check				
Dining Room(s)	$ 6.63	$ 8.06	$ 9.25	$9.30
Room Service	7.17	8.25	8.29	9.47
Banquet	7.47	11.9	15.6	19.5
Total	$ 6.59	$ 8.80	$11.38	$12.69
Covers Served Per Seat				
Dining Room(s)	521	526	577	778
Banquet	69	82	99	71
Room Service Sales				
Per Occupied Room				
Food	$ 0.78	$ 1.70	$ 2.22	$ 2.61
Beverage	0.13	0.29	0.47	0.68
Total	$ 1.43	$ 2.22	$ 2.84	$ 3.54

*All amounts are medians and do not necessarily add to totals shown.
**Insufficient response.
***Readers should be cautioned that these figures are not directly comparable with those in previous reports.

Restaurant Operated Total Food & Beverage Sales as a Ratio to Total Sales***			
0-25.0%	25.1-35.0%	35.1-45.0%	45.1% & Over
$1,964	$2,790	$3,728	$5,629
383	439	520	540
895	2,424	3,360	3,701
66	57	64	135
$2,976	$5,403	$7,966	$12,104
60.6%	49.0%	46.9%	52.0%
8.8	6.7	6.3	5.2
31.1	42.4	47.3	34.4
1.9	1.2	1.0	2.0
$3,913	$4,681	$5,322	$4,748
493	845	930	983
315	209	141	304
$1,114	$1,638	$1,745	$1,612
$ 6.98	$ 8.44	$ 9.58	$ 9.60
8.72	8.94	8.25	7.43
12.8	15.2	13.6	14.4
$ 7.58	$ 10.64	$10.35	$ 9.24
591	553	557	574
67	84	91	96
$ 1.43	$ 1.86	$ 2.22	$ 2.34
0.24	0.41	0.49	0.61
$ 1.90	$ 2.43	$ 3.01	$ 2.81

Exhibit 9

*Food and Beverage Statistics—By Selected Criteria**
(continued)

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Beverage Sales—By Property				
Amount Per Available Room				
Dining Room(s)	$ 434	$ 383	$ 477	$ 568
Room Service	32	63	114	197
Banquet	199	465	867	942
Bar/Lounge	1,481	1,095	1,044	816
Total	$2,042	$2,118	$2,939	$2,874
Ratio to Beverage Sales				
Dining Room(s)	27.4%	18.0%	17.4%	24.5%
Room Service	1.1	2.9	3.8	7.7
Banquet	13.2	24.2	28.8	31.6
Bar/Lounge	71.0	58.4	39.3	35.5
Ratio to Food Sales				
Dining Room(s)	7.5%	10.6%	13.8%	16.1%
Room Service	4.2	13.5	19.3	28.1
Banquet	17.0	21.5	22.6	23.8
Total (Including Bar/Lounge)	35.6%	36.8%	33.3%	33.5%
Amount Per Seat				
Dining Room(s)	$ 308	$ 449	$ 601	$1,105
Banquet	68	154	261	221
Bar/Lounge	0	0	0	0
Total	$ 575	$ 620	$ 805	$ 962

*All amounts are medians and do not necessarily add to totals shown.
***Readers should be cautioned that these figures are not directly comparable with those in previous reports.

Restaurant Operated
Total Food & Beverage Sales as a Ratio to Total Sales***

0-25.0%	25.1-35%	35.1-45%	45.1% & Over
$ 257	$ 394	$ 575	$ 891
64	100	116	129
198	524	823	917
726	934	1,283	1,632
$1,102	$1,976	$3,282	$3,667
21.0%	19.5%	19.0%	27.0%
5.1	4.7	3.5	2.8
18.2	25.1	28.3	23.5
65.8	47.9	40.2	40.0
9.8%	12.6%	13.2%	14.2%
13.4	18.3	18.8	22.7
19.6	20.9	22.4	25.0
35.4%	34.3%	34.4%	32.9%
$ 278	$ 601	$ 619	$ 783
75	177	185	204
1,922	2,794	2,750	2,655
$ 610	$ 612	$ 771	$ 841

Exhibit 10

Minor-Operated Departments and Other Income
*Amounts Per Available Room and Ratios to Total Sales**

	All Establishments	Size of Property			
		Under 150 Rooms	150–299 Rooms	300–600 Rooms	Over 600 Rooms
Telephone					
Sales	$501	$331	$463	$699	$839
Cost of Sales					
Cost of Calls	272	233	267	296	322
Equipment Rental	105	107	102	68	184
Total	365	309	367	391	425
Payroll & Related Expenses	217	266	175	220	234
All Other Expenses	17	13	19	18	12
Total Department Expenses	470	321	418	661	767
Net Department Income (Loss)	$ 37	$ 6	$ 42	$ 71	$ 44
Minor Departments					
Sales	$402	$194	$270	$661	$625
Cost of Sales	178	226	155	215	154
Payroll & Related Expenses	253	347	197	280	322
Other Expenses	59	139	90	39	81
Total Department Costs & Expenses	417	370	369	544	595
Net Department Income (Loss)	$ −0	$ −3	$ −1	$191	$427
Rentals & Other Income					
Space Rentals	$106	$107	$ 57	$116	$331
Concessions	49	28	52	49	82
Commissions	33	17	30	50	77
Other	130	98	107	167	276
Total Department Income	$245	$142	$202	$379	$841
Ratios to Total Sales					
Telephone					
Sales	2.2%	2.2%	2.3%	2.1%	2.2%
Cost of Sales	1.6	2.1	1.7	1.2	1.2
Payroll & Related Expenses	0.6	0.7	0.7	0.7	0.6
Net Income (Loss)	0.3%	−0.0%	0.4%	0.4%	0.3%
Minor Departments					
Sales	1.5%	1.4%	1.2%	1.9%	1.9%
Cost of Sales	0.7	1.0	0.7	0.7	0.4
Payroll & Related Expenses	0.8	0.9	0.8	0.7	1.0
Net Income (Loss)	0.2%	0.2%	0.2%	0.2%	0.4%
Rentals and Other Income					
Space Rentals	0.4%	0.5%	0.2%	0.3%	0.7%
Concessions	0.2	0.2	0.2	0.2	0.2
Commissions	0.1	0.1	0.1	0.1	0.2
Other	0.6	0.6	0.5	0.6	0.7
Net Income (Loss)	1.2%	1.0%	1.1%	1.3%	1.9%

*All amounts are medians and do not necessarily add to totals shown.

Exhibit 11
Analysis of Administrative and General Expenses
*Ratios to Total Sales**

		Size of Property			
	All Establishments	Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Payroll & Related Expenses	4.9%	4.6%	5.0%	5.0%	4.0%
Bad Debts	0.1	0.1	0.1	0.1	0.1
Credit Card Commissions	1.4	1.3	1.5	1.5	1.4
Data Processing Services	0.2	0.2	0.2	0.2	0.1
Insurance (General)	1.7	1.8	2.1	1.6	1.1
Licenses & Dues	0.1	0.2	0.1	0.1	0.1
Operating Supplies	0.4	0.4	0.4	0.3	0.2
Professional Fees	0.3	0.4	0.4	0.2	0.2
Security	0.2	0.4	0.4	0.0	0.1
Travel & Entertainment	0.2	0.2	0.2	0.1	0.1
All Other Expenses	1.0	1.1	1.3	0.9	0.7
Total	10.7%	11.7%	11.1%	10.2%	8.6%

*All amounts are medians and do not necessarily add to totals shown.

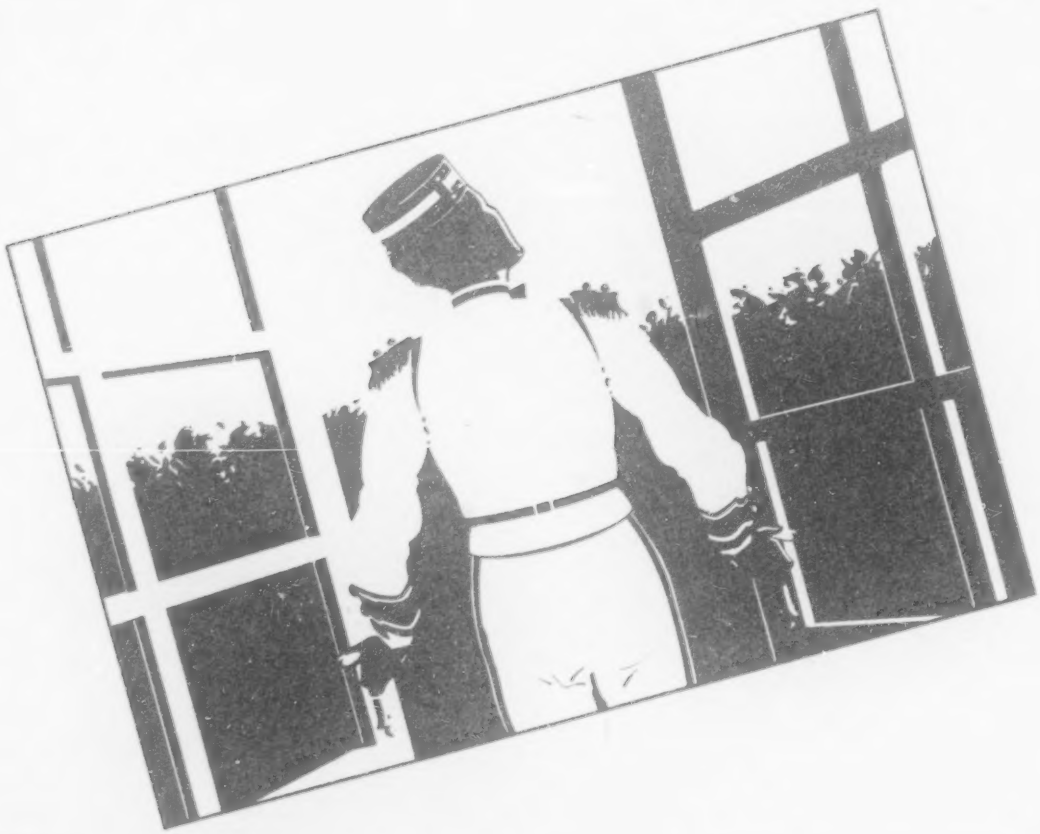


Exhibit 12

*How the Marketing Dollar Was Allocated**

	All Establishments	Location of Property				
		Center City	Suburban	Airport	Highway	Resort
Payroll & Related Expenses	27.2%	31.2%	26.9%	23.2%	13.0%	24.7%
Sales Expenses	9.6	11.2	8.8	10.2	3.9	12.3
Advertising Expenses						
Print	17.8	19.0	16.7	19.9	12.6	26.0
Radio & TV	4.0	2.9	2.5	4.0	3.4	3.1
Outdoor	4.8	2.3	7.9	7.4	12.3	1.3
Other	10.9	12.2	8.9	10.8	14.2	11.0
Merchandising	1.9	1.4	2.8	0.7	0.8	3.0
Public Relations	2.8	3.3	3.4	2.5	2.3	3.1
Franchise Fees	11.1	5.5	13.2	11.6	30.0	5.1
All Other Expenses	9.9	11.0	8.9	10.1	7.4	10.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*All amounts are means.

Exhibit 13

*Ratios to Telephone Department Expenses**

	All Establishments
Sales	100.0%
Cost of Sales	
Cost of Calls	49.9
Equipment Rental	20.4
Total Cost of Sales	67.3
Payroll & Related Expenses	27.6
All Other Expenses	2.8
Total Departmental Expenses	91.0
Net Department Income (Loss)	10.3%

*All amounts are medians and do not necessarily add to totals shown.

Affiliation			
Chain Owned	Chain Managed	Chain Franchised	Independent
24.3%	30.3%	22.1%	27.0%
11.8	14.6	5.6	9.3
17.5	15.4	13.3	29.4
2.9	3.5	3.3	2.4
3.1	2.4	10.3	3.9
18.5	13.4	6.5	9.5
2.1	1.5	1.9	1.8
1.9	2.7	2.7	4.4
6.6	5.7	27.3	0.8
11.6	10.6	6.9	11.5
100.0%	100.0%	100.0%	100.0%

"By 1852, any first-class hotel in the United States worth its guest register had a French chef to cater to its guests."

Exhibit 14

Management Fees

Amounts Per Room & Ratios to Total Sales

	All Establishments	Affiliation			
		Chain Owned	Chain Managed	Chain Franchised	Independent
Amount Per Room					
Lower Quartile	$ 541	$ 639	$ 761	$ 396	$ 675
Median	852	995	1,169	580	1,049
Upper Quartile	1,233	1,289	1,477	732	1,637
Ratio to Total Sales					
Lower Quartile	2.9%	2.9%	2.9%	2.9%	2.9%
Median	3.6	3.3	3.5	3.4	4.0
Upper Quartile	4.3	4.7	4.0	4.4	4.8

Exhibit 15

Energy, Property Operation and Maintenance Departments
*Amounts Per Available Room**

	Energy						Property Operation & Maintenance		
	Fuel	Electricity	Water	Steam	Energy Credit	Total Energy	Payroll	Other Expenses	Total
All Establishments	$188	$ 765	$116	$136	$45	$1,123	$ 554	$ 714	$1,225
Region									
Northeast	$232	$ 797	$110	$330	**	$1,404	$ 753	$ 929	$1,717
South	216	703	102	166	**	1,084	460	615	1,060
North Central	159	785	135	99	$31	1,126	564	710	1,193
West	203	792	106	111	24	1,032	642	732	1,287
Location									
Center City	$198	$ 831	$110	$219	$93	$1,224	$ 676	$ 786	$1,485
Suburban	173	698	126	**	**	978	416	566	979
Airport	178	739	81	**	**	979	587	666	1,260
Highway	131	523	90	**	**	824	302	375	733
Resort	265	988	147	180	28	1,379	1,118	1,176	2,209
Size									
Under 150 Rooms	$160	$ 521	$ 94	$147	**	$ 826	$ 337	$ 488	$ 826
150-299 Rooms	190	744	111	$ 86	**	1,076	481	641	1,076
300-600 Rooms	209	944	142	185	$37	1,373	888	906	1,373
Over 600 Rooms	206	1,050	128	453	63	1,401	1,027	1,155	2,238
Average Room Rate									
Under $40.00	$115	$ 440	$ 73	**	**	$ 606	$ 207	$ 325	$ 509
$40.00-$54.99	163	669	110	$ 93	**	990	435	542	972
$55.00-$69.99	180	735	104	85	**	1,101	515	660	1,219
$70.00-$84.99	223	907	107	**	$61	1,348	824	850	1,670
$85.00 & Over	288	1,175	177	330	59	1,643	1,278	1,418	2,606

*All amounts are medians and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 16

Fixed Charges

*Amounts Per Available Room and Ratio to Total Sales**

	Amounts Per Available Room								
	Rent	Property Taxes	Property Insurance	Interest	Amortization & Depreciation	Leased Equipment	Other	Total	Ratio to Total Sales
All Establishments	$ 744	$ 633	$294	$2,493	$2,196	$125	$ 98	$ 5,581	27.8%
Region									
Northeast	$1,928	$ 781	$301	$1,893	$2,603	$ 79	$ 92	$ 5,885	25.3%
South	887	576	354	2,219	1,906	78	129	4,862	24.6
North Central	665	595	248	2,741	2,270	155	91	6,061	31.9
West	675	695	334	3,052	2,588	140	133	5,446	24.8
Location									
Center City	$ 593	$ 959	$322	$4,146	$2,510	$184	$103	$ 7,523	29.7%
Suburban	1,016	614	255	2,499	2,187	122	129	5,541	31.5
Airport	992	730	247	1,998	2,035	154	70	5,955	29.3
Highway	576	292	293	1,402	1,423	71	47	3,397	27.8
Resort	958	690	528	2,508	3,046	147	119	6,577	22.4
Size									
Under 150 Rooms	$ 576	$ 363	$327	$1,425	$1,719	$ 99	$ 79	$ 3,938	26.5%
150-299 Rooms	698	674	308	2,478	2,166	122	125	6,119	29.8
300-600 Rooms	1,113	866	244	4,811	2,910	242	118	8,475	27.0
Over 600 Rooms	651	1,083	156	5,179	3,686	127	99	8,301	23.7
Average Room Rate									
Under $40.00	$ 507	$ 295	$257	$1,425	$1,557	$ 71	*	$ 3,339	37.9%
$40.00-$54.99	648	442	332	1,575	1,736	120	$134	4,237	26.0
$55.00-$69.99	1,211	783	391	3,926	2,645	210	83	7,577	31.6
$70.00-$84.99	654	991	194	3,462	3,064	85	70	8,203	28.2
$85.00 and Over	1,286	1,429	385	6,543	4,343	221	165	10,279	19.9
Affiliation									
Chain/Owned	$ 576	$ 690	$175	$2,361	$3,056	$ 71	$ 97	$ 6,025	24.2%
Chain/Leased	**	**	**	**	**	**	**	**	**
Chain/Managed	595	1,151	199	5,236	3,118	204	73	8,217	31.0
Chain/Franchised	1,235	452	333	1,708	1,993	124	88	5,037	30.7
Independent	725	641	503	2,516	1,972	183	174	5,622	23.5
Occupancy									
Under 50%	$ 959	$ 613	$312	$2,057	$2,267	$220	$127	$ 4,791	33.3%
50-59.9%	529	489	333	2,273	1,929	121	129	4,830	31.3
60-69.9%	626	656	285	2,396	2,351	143	98	5,727	28.2
70-79.9%	737	777	261	3,159	2,354	118	85	6,028	26.0
80% and Over	1,904	632	401	2,133	2,923	*	145	7,871	22.1

*All amounts are medians and do not necessarily add to totals shown.
**Insufficient response.

Exhibit 17

*Amounts Per Available Room**

	All Establishments	Affiliation			
		Chain Owned	Chain Managed	Chain Franchised	Independent
Annual Occupancy	65.3%	67.8%	67.8%	63.2%	65.5%
Annual Room Rate	$ 57.84	$ 71.43	$ 73.46	$ 46.39	$ 61.28
Revenues					
Rooms	$13,674	$17,056	$17,383	$10,608	$14,417
Food	6,366	7,985	8,194	4,223	8,393
Beverage	2,326	2,956	2,726	1,736	2,631
Other Food & Beverage	314	422	416	254	240
Telephone	501	652	717	378	518
Minor-Operated	402	427	509	167	904
Rentals & Other Income	245	301	244	183	393
Total	$22,685	$29,194	$30,135	$16,530	$26,113
Department Expenses					
Rooms	$ 3,757	$ 4,597	$ 5,062	$ 2,620	$ 4,120
Food & Beverage	7,544	9,376	9,924	4,680	9,266
Telephone	470	606	639	342	544
Minor-Operated	117	180	105	84	209
Rentals & Other Income	417	399	501	215	1,148
Total	$10,925	$14,418	$16,125	$ 7,179	$13,231
Department Profit					
Rooms	$10,165	$12,281	$12,854	$ 8,068	$11,013
Food & Beverage	1,233	1,644	1,488	1,001	1,579
Telephone	36	35	76	42	(16)
Minor-Operated	40	38	36	27	194
Rentals & Other Income	**	**	**	**	**
Total	$11,856	$15,600	$14,730	$ 8,837	$13,381
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	$ 1,207	$ 1,502	$ 1,724	$ 762	$ 1,306
Other	1,342	1,378	1,651	1,004	1,567
Total	$ 2,450	$ 2,662	$ 3,474	$ 1,778	$ 2,656
Marketing					
Payroll & Related	$ 570	$ 636	$ 743	$ 366	$ 635
Other	1,163	1,285	1,622	998	1,061
Total	$ 1,630	$ 1,827	$ 2,305	$ 1,196	$ 1,531
Energy Costs	$ 1,123	$ 1,210	$ 1,336	$ 889	$ 1,159
Property Operations & Maintenance	$ 1,225	$ 1,717	$ 1,655	$ 901	$ 1,488
Total Undistributed Operating Expenses	$ 6,396	$ 7,928	$ 8,733	$ 5,104	$ 6,681
Income Before Management Fees	5,272	7,367	6,530	4,105	5,762
Management Fees (Base & Incentive)	852	995	1,169	580	1,049
Income Before Fixed Charges	$ 4,719	$ 6,316	$ 5,418	$ 3,832	$ 5,600
Fixed Charges	$ 5,581	$ 6,026	$ 8,217	$ 5,037	$ 5,622
Income Before Income Taxes	$ (748)	$ (366)	$ (1,961)	$ (938)	$ 187

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.

Location of Property				
Center City	Suburban	Airport	Highway	Resort
65.8%	64.3%	66.8%	63.7%	67.1%
$ 70.69	$ 53.53	$ 60.30	$ 41.10	$ 75.40
$17,258	$12,643	$14,290	$ 9,181	$17,359
7,801	5,732	5,061	3,631	9,760
2,460	2,317	1,806	1,686	3,310
386	413	359	176	220
703	448	631	283	503
439	281	68	93	1,275
340	179	173	103	613
$28,399	$19,334	$21,511	$13,405	$33,975
$ 4,932	$ 3,155	$ 4,083	$ 1,985	$ 4,515
8,866	7,019	6,368	4,065	10,643
661	389	470	272	567
184	100	139	76	153
453	403	239	107	1,226
$14,088	$8,919	$10,873	$ 5,311	$17,413
$12,602	$ 9,459	$10,525	$ 7,164	$12,306
1,220	1,166	1,001	937	2,067
48	65	114	20	(30)
34	71	(43)	53	273
**	**	**	**	**
$13,995	$11,112	$12,270	$ 7,792	$17,216
$ 1,384	$ 819	$ 1,143	$ 678	$ 1,880
1,528	1,124	1,264	703	1,939
$ 2,939	$ 1,877	$ 2,228	$ 1,380	$ 3,825
$ 654	$ 534	$ 494	$ 261	$ 744
1,243	1,116	1,167	795	1,590
$ 1,853	$ 1,509	$ 1,441	$ 990	$ 2,029
$ 1,225	$ 978	$ 979	$ 819	$ 1,379
$ 1,486	$ 979	$ 1,260	$ 733	$ 2,209
$ 7,599	$ 5,520	$ 6,276	$ 4,171	$10,107
5,675	5,433	5,138	3,858	7,708
974	724	680	507	1,241
$ 5,188	$ 4,727	$ 4,735	$ 3,665	$ 6,906
$ 7,523	$ 5,541	$ 5,955	$ 3,397	$ 6,577
$ (2,120)	$ (444)	$ (1,698)	$ (232)	$ 133

Exhibit 18

*Ratio to Total Sales**

	All Establishments	Affiliation			
		Chain Owned	Chain Managed	Chain Franchised	Independent
Annual Occupancy	65.3%	67.8%	67.8%	63.2%	65.5%
Annual Room Rate	$57.84	$71.43	$73.46	$46.39	$61.28
Revenues					
Rooms	61.6%	61.5%	59.1%	65.2%	58.2%
Food	24.6	23.5	25.3	21.0	27.7
Beverage	8.9	8.8	9.0	10.1	8.7
Other Food & Beverage	1.3	1.7	1.3	1.3	1.0
Telephone	2.2	2.2	2.5	2.3	2.0
Minor-Operated	1.5	1.3	1.6	1.1	3.0
Rentals & Other Income	1.2	1.1	1.0	1.2	1.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses					
Rooms	17.0%	17.9%	17.3%	16.1%	14.9%
Food & Beverage	29.1	28.7	30.2	27.3	29.6
Telephone	2.1	2.1	2.1	2.0	1.9
Minor-Operated	0.5	0.7	0.3	0.6	0.7
Rentals & Other Income	1.5	1.3	1.5	1.3	2.9
Total	46.9%	47.2%	49.4%	43.2%	47.7%
Department Profit					
Rooms	44.7%	44.4%	41.7%	49.9%	41.4%
Food & Beverage	5.2	6.1	4.7	5.5	5.8
Telephone	0.2	0.1	0.3	0.3	N
Minor-Operated	0.2	0.1	0.1	0.1	0.6
Rentals & Other Income	**	**	**	**	**
Total	52.8%	52.3%	50.5%	56.6%	51.5%
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	4.9%	4.5%	5.2%	4.5%	4.9%
Other	5.6	4.9	5.3	5.9	5.9
Total	10.7%	9.4%	10.5%	10.9%	11.3%
Marketing					
Payroll & Related	2.2%	1.9%	2.2%	2.1%	2.0%
Other	4.7	4.4	4.9	6.2	3.4
Total	6.8%	6.2%	7.2%	7.7%	5.5%
Energy Costs	4.8%	4.4%	4.2%	5.6%	4.5%
Property Operations & Maintenance	5.3%	5.6%	5.3%	5.2%	5.3%
Total Undistributed Operating Expenses	27.7%	25.8%	27.0%	30.7%	26.6%
Income Before Management Fees	25.1	27.1	22.4	26.1	24.1
Management Fees (Base & Incentive)	3.6	3.3	3.5	3.4	4.0
Income Before Fixed Charges	22.6%	24.6%	19.3%	24.0%	23.0%
Fixed Charges	27.8%	24.2%	31.0%	30.7%	23.5%
Income Before Income Taxes	(4.0)%	(1.1)%	(8.1)%	(6.2)%	0.9%

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response. N—Negligible.

Location of Property				
Center City	Suburban	Airport	Highway	Resort
65.8%	64.3%	66.8%	63.7%	67.1%
$70.69	$53.53	$60.30	$41.10	$75.40
60.4%	62.2%	67.0%	71.1%	56.8%
24.0	27.0	20.5	20.9	25.4
8.6	9.8	7.1	10.7	8.2
1.4	1.8	1.6	1.1	0.6
2.6	2.2	2.8	2.2	1.4
1.7	1.4	0.6	0.7	3.4
1.3	1.0	0.9	0.8	1.7
100.0%	100.0%	100.0%	100.0%	100.0%
18.0%	15.9%	19.2%	15.2%	14.2%
28.9	30.7	26.0	27.3	28.1
2.2	2.0	2.1	2.0	1.6
0.5	0.5	0.7	0.5	0.6
1.5	1.4	1.0	0.6	2.9
48.8%	45.1%	46.0%	40.4%	46.6%
42.8%	45.3%	47.3%	54.5%	41.1%
4.1	6.4	5.9	6.2	5.9
0.3	0.3	0.7	0.2	(0.1)
0.1	0.2	(0.1)	0.2	0.6
**	**	**	**	**
51.0%	54.6%	53.5%	59.3%	53.0%
5.2%	4.3%	5.2%	4.2%	4.9%
5.8	5.2	5.4	5.8	5.4
11.4%	9.9%	10.6%	10.7%	10.2%
2.3%	2.3%	2.0%	1.3%	2.0%
4.3	4.9	5.1	5.1	4.7
6.6%	7.0%	6.8%	6.5%	6.5%
4.4%	5.1%	4.7%	5.8%	4.0%
5.5%	4.8%	5.3%	4.9%	5.7%
27.8%	27.4%	27.0%	28.6%	27.5%
23.1	28.8	25.8	28.5	23.7
3.3	3.9	3.0	4.1	3.0
20.3%	26.0%	22.9%	26.6%	21.9%
29.7%	31.5%	29.3%	27.8%	22.4%
(8.4)%	(2.1)%	(7.8)%	(1.4)%	0.5%

Exhibit 19
*Amounts Per Available Room**

	Occupancy				
	Under 50%	50-59.9%	60-69.9%	70-79.9%	80% & Over
Annual Occupancy	45.4%	56.2%	65.3%	74.1%	85.3%
Annual Room Rate	$ 50.27	$ 51.54	$ 58.50	$ 62.61	$ 78.57
Revenues					
Rooms	$ 7,763	$10,446	$13,750	$16,867	$24,237
Food	4,992	5,502	6,050	7,095	12,732
Beverage	1,671	2,152	2,435	2,708	3,838
Other Food & Beverage	248	288	381	302	355
Telephone	306	[illegible]	520	608	684
Minor-Operated	301	257	332	653	1,838
Rentals & Other Income	144	223	242	330	702
Total	$13,313	$17,730	$23,622	$26,784	$39,455
Department Expenses					
Rooms	$ 2,429	$ 2,890	$ 3,707	$ 4,353	$ 6,818
Food & Beverage	5,331	6,626	7,437	8,953	12,120
Telephone	351	446	475	559	805
Minor-Operated	65	117	121	111	208
Rentals & Other Income	528	185	392	629	1,428
Total	$ 7,030	$ 8,249	$11,064	$12,729	$18,752
Department Profit					
Rooms	$ 5,302	$ 7,882	$10,374	$12,634	$18,005
Food & Beverage	519	760	1,475	1,463	2,281
Telephone	6	31	62	105	8
Minor-Operated	12	30	22	100	290
Rentals & Other Income	**	**	**	**	**
Total	$ 5,923	$ 8,740	$11,903	$14,301	$22,207
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	$ 809	$ 1,110	$ 1,190	$ 1,450	$ 2,039
Other	896	1,225	1,377	1,410	1,862
Total	$ 1,708	$ 2,307	$ 2,423	$ 2,640	$ 3,854
Marketing					
Payroll & Related	$ 417	$ 556	$ 590	$ 643	$ 651
Other	804	1,088	1,252	1,373	1,238
Total	$ 1,118	$ 1,565	$ 1,750	$ 1,685	$ 1,845
Energy Costs	$ 916	$ 1,082	$ 1,148	$ 1,141	$ 1,348
Property Operations & Maintenance	$ 847	$ 1,092	$ 1,232	$ 1,393	$ 2,156
Total Undistributed Operating Expenses	$ 4,702	$ 6,103	$ 6,638	$ 6,987	$ 9,736
Income Before Management Fees	1,651	3,162	5,261	8,130	12,264
Management Fees (Base & Incentive)	451	691	887	975	1,325
Income Before Fixed Charges	$ 1,347	$ 2,817	$ 4,620	$ 7,488	$11,206
Fixed Charges	$ 4,791	$ 4,830	$ 5,727	$ 6,028	$ 7,871
Income Before Income Taxes	$ (2,836)	$ (2,077)	$ (856)	$ 601	$ 2,356

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.

Average Room Rate				
Under $40.00	$40.00-$54.99	$55.00-$69.99	$70.00-$84.99	$85.00 & Over
59.8%	63.3%	65.3%	67.2%	67.7%
$ 34.63	$ 46.83	$ 61.97	$ 77.13	$103.68
$ 7,406	$10,608	$14,551	$19,215	$25,822
2,304	4,257	5,776	7,630	12,195
1,205	1,661	2,090	2,895	4,187
91	224	371	473	618
249	390	533	743	940
113	258	332	378	867
92	168	270	408	816
$ 8,836	$16,792	$24,262	$30,891	$45,891
$ 1,732	$ 2,679	$ 3,880	$ 5,491	$ 7,458
2,922	5,057	6,835	9,453	14,050
222	343	506	672	825
76	90	112	138	204
137	205	288	419	914
$ 2,286	$ 7,659	$11,011	$15,784	$22,834
$ 5,655	$ 7,958	$10,676	$13,518	$18,297
473	987	1,151	1,535	3,150
(3)	31	47	122	94
74	22	11	9	193
**	**	**	**	**
$ 6,213	$ 8,954	$12,814	$15,856	$23,118
$ 588	$ 834	$ 1,207	$ 1,560	$ 2,127
542	950	1,412	1,753	2,278
$ 938	$ 1,792	$ 2,596	$ 3,397	$ 4,377
$ 206	$ 377	$ 592	$ 651	$ 871
489	824	1,164	1,493	2,054
$ 596	$ 1,152	$ 1,763	$ 2,166	$ 2,999
$ 606	$ 990	$ 1,101	$ 1,348	$ 1,643
$ 509	$ 972	$ 1,219	$ 1,670	$ 2,606
$ 2,700	$ 5,094	$ 6,725	$ 8,850	$11,937
3,065	3,826	5,506	7,969	11,793
416	607	824	1,054	1,460
$ 2,900	$ 3,665	$ 4,803	$ 6,899	$10,463
$ 3,339	$ 4,237	$ 7,577	$ 8,203	$10,279
$ (402)	$ (786)	$ (2,053)	$ (1,085)	$ 119

Exhibit 20

*Ratios to Total Sales**

	Occupancy				
	Under 50%	50-59.9%	60-69.9%	70-79.9%	80% & Over
Annual Occupancy	45.4%	56.2%	65.3%	74.1%	85.3%
Annual Room Rate	$50.27	$51.54	$58.50	$62.61	$78.57
Revenues					
Rooms	62.7%	61.1%	59.7%	64.8%	63.3%
Food	25.6	25.7	24.9	21.7	24.5
Beverage	9.2	9.2	9.2	8.0	7.9
Other Food & Beverage	1.6	1.3	1.3	1.1	0.8
Telephone	2.2	2.6	2.2	2.2	1.7
Minor-Operated	1.8	1.3	1.3	1.9	3.0
Rentals & Other Income	1.1	1.1	1.1	1.2	1.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Department Expenses					
Rooms	18.5%	16.6%	16.2%	16.5%	17.2%
Food & Beverage	31.1	30.4	30.0	27.4	25.1
Telephone	2.4	2.2	2.0	2.0	1.7
Minor-Operated	0.8	0.7	0.5	0.4	0.5
Rentals & Other Income	2.8	0.8	1.4	1.7	2.4
Total	51.6%	48.3%	47.1%	43.5%	42.5%
Department Profit					
Rooms	40.3%	45.1%	43.6%	48.4%	46.6%
Food & Beverage	3.9	4.3	6.3	5.6	5.0
Telephone	N	0.1	0.3	0.3	N
Minor-Operated	0.1	0.1	0.1	0.2	0.6
Rentals & Other Income	**	**	**	**	**
Total	48.3%	51.4%	52.1%	56.3%	56.5%
Undistributed Operating Expenses					
Administrative & General					
Payroll & Related	5.7%	5.8%	4.7%	4.8%	4.6%
Other	7.3	6.3	5.5	5.1	4.5
Total	12.7%	11.8%	10.6%	9.6%	9.0%
Marketing					
Payroll & Related	3.3%	2.6%	2.1%	1.7%	1.4%
Other	5.2	5.2	4.8	4.3	3.0
Total	8.4%	7.9%	7.0%	6.0%	4.0%
Energy Costs	6.5%	5.9%	4.8%	4.3%	3.5%
Property Operations & Maintenance	5.8%	5.9%	5.1%	4.9%	5.3%
Total Undistributed Operating Expenses	34.9%	32.1%	28.2%	25.5%	22.3%
Income Before Management Fees	13.5	20.3	24.4	30.7	35.4
Management Fees (Base & Incentive)	3.8	3.5	3.6	3.1	3.5
Income Before Fixed Charges	10.4%	17.3%	21.6%	27.7%	32.7%
Fixed Charges	33.3%	31.3%	28.2%	26.0%	22.1%
Income Before Income Taxes	(26)%	(11)%	(4.5)%	3.7%	6.8%

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response. N—Negligible.

Average Room Rate				
Under $40.00	$40.00-$54.99	$55.00-$69.99	$70.00-$84.99	$85.00 & Over
59.8%	63.3%	65.3%	67.2%	67.7%
$34.63	$46.83	$61.97	$77.13	$103.68
93.7%	62.2%	59.9%	59.4%	56.4%
20.4	24.1	24.0	25.1	25.7
8.9	9.2	8.9	8.7	8.8
0.8	1.3	1.6	1.4	1.2
2.6	2.2	2.3	2.5	2.1
1.3	1.4	1.2	1.4	2.3
0.8	1.0	1.2	1.5	1.5
100.0%	100.0%	100.0%	100.0%	100.0%
19.9%	15.5%	16.7%	17.6%	15.4%
26.3	29.0	28.8	30.2	29.4
2.4	2.0	2.1	2.1	1.9
0.7	0.5	0.6	0.5	0.5
1.2	1.2	1.1	1.5	2.1
31.1%	46.1%	45.9%	49.1%	48.9%
63.3%	46.6%	43.2%	41.7%	39.6%
4.4	5.5	4.8	4.8	6.6
N	0.2	0.2	0.5	0.2
0.7	0.1	N	N	0.4
**	**	**	**	**
66.5%	53.7%	54.1%	51.0%	50.9%
4.6%	4.8%	5.3%	5.0%	4.7%
6.2	5.7	5.9	5.7	4.8
10.7%	11.2%	11.3%	10.4%	9.6%
1.5%	2.3%	2.6%	2.2%	1.9%
4.7	4.9	4.8	4.7	4.5
5.7%	6.9%	7.1%	6.7%	6.4%
6.6%	5.9%	4.7%	4.1%	3.6%
5.1%	5.4%	4.8%	5.4%	5.8%
27.2%	30.8%	28.7%	28.1%	25.4%
35.8	23.3	24.0	26.2	25.5
4.5	3.9	3.5	3.5	3.0
32.3%	20.5%	21.7%	24.0%	22.8%
37.9%	26.0%	31.6%	28.2%	19.9%
(5.5)%	(4.3)%	(9.8)%	(3.4)%	(−0.2)%

Exhibit 21

*Amounts Per Available Room**

	Region			
	Northeast	South	North Central	West
Annual Occupancy	66.8%	65.1%	62.1%	68.2%
Annual Room Rate	$ 72.24	$ 50.52	$ 55.71	$ 63.91
Revenues				
Rooms	$16,871	$12,246	$12,914	$16,081
Food	7,380	5,236	5,644	7,455
Beverage	2,692	2,139	2,299	2,671
Other Food & Beverage	544	306	282	315
Telephone	586	416	501	579
Minor-Operated	495	416	384	279
Rentals & Other Income	369	203	203	354
Total	$28,981	$19,978	$20,971	$25,289
Department Expenses				
Rooms	$ 4,112	$ 3,117	$ 3,725	$ 4,124
Food & Beverage	9,540	6,662	6,565	9,059
Telephone	555	376	445	553
Minor-Operated	123	206	84	149
Rentals & Other Income	524	373	430	409
Total	$13,167	$ 9,362	$ 9,963	$11,937
Department Profit				
Rooms	$12,651	$ 8,990	$ 9,639	$11,617
Food & Beverage	1,835	1,309	945	1,318
Telephone	25	27	43	47
Minor-Operated	58	49	36	41
Rentals & Other Income	**	**	**	**
Total	$15,739	$10,328	$10,829	$13,441
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	$ 1,530	$ 964	$ 1,174	$ 1,410
Other	1,776	1,066	1,360	1,422
Total	$ 2,951	$ 2,099	$ 2,377	$ 2,665
Marketing				
Payroll & Related	$ 691	$ 435	$ 603	$ 602
Other	1,323	1,029	1,177	1,161
Total	$ 1,868	$ 1,388	$ 1,769	$ 1,653
Energy Costs	$ 1,404	$ 1,084	$ 1,126	$ 1,032
Property Operations & Maintenance	$ 1,717	$ 1,060	$ 1,193	$ 1,287
Total Undistributed Operating Expenses	$ 7,775	$ 5,763	$ 6,254	$ 6,976
Income Before Management Fees	6,602	4,697	4,247	6,095
Management Fees (Base & Incentive)	947	856	764	872
Income Before Fixed Charges	$ 6,218	$ 4,530	$ 3,716	$ 5,617
Fixed Charges	$ 5,885	$ 4,862	$ 6,061	$ 5,446
Income Before Income Taxes	$ 561	$ (340)	$ (1,880)	$ 114

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.
***Readers should be cautioned that these figures are not directly comparable to those in previous reports.

Restaurant Operated Total Food & Beverage Sales as a Ratio to Total Sales***			
0-25.0	25.1-35.0	35.1-45.0	45.1 & Over
67.2%	65.7%	64.3%	62.4%
$ 56.21	$ 63.47	$ 66.57	$ 55.05
$14,490	$14,890	$14,551	$13,154
2,976	5,403	7,966	12,104
1,102	1,976	3,282	3,667
192	330	398	307
442	529	563	525
297	381	486	401
244	323	247	350
$19,334	$24,957	$27,121	$30,298
$ 3,891	$ 3,867	$ 4,293	$ 4,128
3,704	6,523	9,126	11,927
441	564	547	487
152	170	102	64
403	316	503	463
$ 7,687	$11,234	$14,814	$17,571
$10,700	$11,297	$10,746	$ 9,700
294	1,175	1,989	3,700
29	36	38	37
19	24	58	79
**	**	**	**
$11,322	$13,105	$13,000	$14,692
$ 1,106	$ 1,275	$ 1,452	$ 1,242
1,310	1,422	1,537	1,774
$ 2,332	$ 2,666	$ 2,939	$ 3,406
$ 436	$ 591	$ 695	$ 632
1,116	1,240	1,411	1,264
$ 1,490	$ 1,757	$ 2,029	$ 1,763
$ 983	$ 1,167	$ 1,376	$ 1,422
$ 1,134	$ 1,316	$ 1,526	$ 1,456
$ 6,119	$ 7,112	$ 8,146	$ 7,498
5,558	5,751	5,243	4,873
776	851	974	1,206
$ 5,055	$ 5,087	$ 4,537	$ 4,503
$ 5,486	$ 6,056	$ 6,975	$ 6,206
$ (401)	$ (896)	$ (1,343)	$ (3,056)

"After the fall of the Roman Empire, public hospitality for the 'ordinary traveller' became the province of religious orders."

Exhibit 22

*Ratio to Total Sales**

	Region			
	Northeast	South	North Central	West
Annual Occupancy	66.8%	65.1%	62.1%	68.2%
Annual Room Rate	$ 72.24	$ 50.52	$ 55.71	$ 63.91
Revenues				
Rooms	60.7%	61.7%	62.2%	62.1%
Food	26.6	26.2	23.7	23.5
Beverage	9.9	9.2	8.7	7.7
Other Food & Beverage	1.6	1.3	1.2	1.2
Telephone	2.0	2.1	2.3	2.4
Minor-Operated	1.3	1.7	1.6	1.1
Rentals & Other Income	1.3	1.1	1.1	1.4
Total	100.0%	100.0%	100.0%	100.0%
Department Expenses				
Rooms	15.4%	15.6%	17.0%	18.1%
Food & Beverage	30.5	29.8	28.8	28.5
Telephone	1.9	1.9	2.1	2.1
Minor-Operated	0.5	1.0	0.4	0.5
Rentals & Other Income	1.3	1.5	1.7	1.3
Total	47.0%	46.2%	47.1%	46.7%
Department Profit				
Rooms	43.4%	45.5%	45.0%	42.8%
Food & Beverage	6.5	7.3	4.8	3.9
Telephone	0.1	0.1	0.2	0.2
Minor-Operated	0.1	0.2	0.1	0.2
Rentals & Other Income	**	**	**	**
Total	52.9%	53.7%	52.4%	52.4%
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	4.6%	4.6%	5.1%	5.0%
Other	5.2	5.3	5.9	5.3
Total	9.8%	10.6%	11.4%	10.7%
Marketing				
Payroll & Related	1.9%	1.9%	2.5%	2.2%
Other	4.3	4.4	5.2	4.4
Total	6.0%	6.2%	7.6%	6.3%
Energy Costs	4.7%	5.2%	5.2%	4.3%
Property Operations & Maintenance	5.4%	5.0%	5.5%	5.4%
Total Undistributed Operating Expenses	26.1%	26.8%	30.2%	26.9%
Income Before Management Fees	27.0	26.7	22.5	25.8
Management Fees (Base + Incentive)	3.2	3.9	3.6	3.3
Income Before Fixed Charges	24.6%	23.6%	20.4%	24.1%
Fixed Charges	25.3%	24.6%	31.9%	24.8%
Income Before Income Taxes	1.8%	(2.0)%	(9.9)%	(0.9)%

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.
***Readers are cautioned that these figures are not directly comparable with those in previous re[illegible]

Restaurant Operated Total Food & Beverage Sales as a Ratio to Total Sales***			
0-25.0	25.1-35.0	35.1-45.0	45.1 & Over
67.2%	65.7%	64.3%	62.4%
$ 36.21	$ 63.47	$ 86.57	$ 55.05
74.5%	62.5%	54.7%	46.6%
14.8	22.7	28.6	36.0
5.2	8.0	10.1	12.3
1.0	1.4	1.5	1.1
2.6	2.3	2.0	1.8
1.2	1.4	1.6	1.3
1.2	1.4	1.0	1.2
100.0%	100.0%	100.0%	100.0%
19.6%	16.6%	15.2%	12.8%
19.0	27.2	33.2	40.1
2.2	2.2	1.9	1.6
0.8	0.6	0.4	0.3
1.7	1.2	1.7	1.6
40.7%	47.1%	51.9%	55.4%
54.6%	45.4%	39.0%	32.0%
1.6	4.9	7.6	11.8
0.2	0.2	0.2	0.2
0.1	0.1	0.2	0.2
**	**	**	**
58.9%	52.4%	48.0%	43.9%
5.0%	5.2%	4.8%	4.6%
6.0	5.2	5.3	5.6
11.4%	10.9%	10.3%	11.1%
2.1%	2.3%	2.2%	2.3%
4.8	4.6	4.9	4.6
6.6%	6.8%	7.0%	6.7%
4.9%	4.6%	4.7%	4.4%
5.4%	5.4%	5.4%	5.0%
29.9%	27.7%	27.4%	26.8%
29.8	23.9	20.5	16.2
3.7	3.3	3.3	3.8
26.9%	21.1%	18.6%	14.6%
28.2%	25.0%	26.4%	22.6%
(1.7)%	(5.0)%	(5.9)%	(9.8)%

Exhibit 23

*Amounts Per Available Room**

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Annual Occupancy	64.7%	63.8%	66.6%	74.8%
Annual Room Rate	$ 42.94	$ 56.52	$ 76.87	$ 83.51
Revenues				
Rooms	$10,094	$13,354	$17,980	$21,184
Food	4,629	5,108	8,123	8,776
Beverage	2,042	2,118	2,939	2,874
Other Food & Beverage	153	287	465	395
Telephone	331	463	699	839
Minor-Operated	194	270	661	625
Rentals & Other Income	142	202	379	841
Total	$14,343	$21,460	$32,012	$37,668
Department Expenses				
Rooms	$ 2,389	$ 3,327	$ 5,483	$ 5,865
Food & Beverage	5,409	6,510	10,325	9,540
Telephone	321	418	661	767
Minor-Operated	82	145	148	175
Rentals & Other Income	370	369	544	595
Total	$ 5,509	$10,092	$16,751	$17,070
Department Profit				
Rooms	$ 7,882	$ 9,927	$12,773	$14,994
Food & Beverage	1,034	812	1,758	2,042
Telephone	6	42	70	44
Minor-Operated	93	30	33	144
Rentals & Other Income	**	**	**	**
Total	$ 8,748	$10,915	$15,838	$19,730
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	$ 840	$ 993	$ 1,700	$ 1,541
Other	916	1,373	1,640	1,483
Total	$ 1,715	$ 2,312	$ 3,474	$ 2,989
Marketing				
Payroll & Related	$ 320	$ 545	$ 750	$ 707
Other	804	1,159	1,506	1,447
Total	$ 1,029	$ 1,598	$ 2,293	$ 2,271
Energy Costs	$ 826	$ 1,076	$ 1,373	$ 1,401
Property Operations & Maintenance	$ 836	$ 1,099	$ 1,875	$ 2,238
Total Undistributed Operating Expenses	$ 4,556	$ 6,097	$ 8,830	$ 8,733
Income Before Management Fees	4,313	4,286	7,631	10,959
Management Fees (Base & Incentive)	685	723	1,055	976
Income Before Fixed Charges	$ 3,937	$ 3,827	$ 6,367	$10,306
Fixed Charges	$ 3,938	$ 6,119	$ 8,475	$ 8,301
Income Before Income Taxes	$ 99	($ 1,829)	($ 1,383)	$ 1,283

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.

Exhibit 24

*Ratios to Total Sales**

	Size of Property			
	Under 150 Rooms	150-299 Rooms	300-600 Rooms	Over 600 Rooms
Annual Occupancy	64.7%	63.8%	66.6%	74.8%
Annual Room Rate	$ 42.94	$ 56.52	$ 76.87	$ 83.51
Revenues				
Rooms	77.6%	62.3%	56.4%	57.6%
Food	25.0	22.8	26.1	23.8
Beverage	10.0	9.0	9.0	7.1
Other Food & Beverage	0.7	1.3	1.6	1.1
Telephone	2.2	2.3	2.1	2.2
Minor-Operated	1.4	1.2	1.9	1.9
Rentals & Other Income	1.0	1.1	1.3	1.9
Total	100.0%	100.0%	100.0%	100.0%
Department Expenses				
Rooms	18.1%	16.4%	16.4%	15.7%
Food & Beverage	28.6	29.1	30.7	25.8
Telephone	2.1	2.1	2.0	1.9
Minor-Operated	0.6	0.8	0.4	0.5
Rentals & Other Income	1.6	1.4	1.7	1.7
Total	39.0%	47.3%	50.3%	45.8%
Department Profit				
Rooms	55.2%	45.2%	39.5%	41.2%
Food & Beverage	5.6	4.2	5.3	6.7
Telephone	0.1	0.2	0.2	0.1
Minor-Operated	0.6	0.1	0.1	0.4
Rentals & Other Income	**	**	**	**
Total	61.0%	51.6%	49.5%	53.8%
Undistributed Operating Expenses				
Administrative & General				
Payroll & Related	4.6%	5.0%	5.0%	4.0%
Other	6.7	6.1	4.9	4.2
Total	11.7%	11.1%	10.2%	8.6%
Marketing				
Payroll & Related	1.6%	2.4%	2.1%	1.9%
Other	4.5	5.1	4.8	3.7
Total	5.6%	7.5%	7.0%	6.2%
Energy Costs	5.5%	5.2%	4.2%	3.5%
Property Operations & Maintenance	4.9%	5.4%	5.5%	5.5%
Total Undistributed Operating Expenses	27.8%	30.7%	26.5%	23.4%
Income Before Management Fees	30.4	21.8	22.0	30.7
Management Fees (Base & Incentive)	4.0	3.5	3.2	2.9
Income Before Fixed Charges	28.8%	19.2%	20.4%	27.9%
Fixed Charges	26.5%	29.8%	27.0%	23.7%
Income Before Income Taxes	0.8%	(8.0)%	(4.0)%	2.5%

*All amounts are medians and do not necessarily add to totals shown. **Insufficient response.

LEISURE TIME INDUSTRY CONTACTS

Laventhol & Horwath has, since its inception, provided sophisticated advisory services to all facets of the lodging industry. The Leisure Time Advisory Services practice is one of the largest of its kind in the country in terms of fee volume, professional staff, geographic diversification and service capability. L&H routinely serves as advisor to the nation's most prominent hotels, developers, financiers, syndicators and industrial corporations on methods used in developing, financing, managing, operating and marketing lodging properties.

The following list contains the services that L&H provides to the lodging industry as well as the contact person:

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The directory of Laventhol & Horwath's offices is on page 47.

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